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June 3, 2022

Paynetworx, LLC
Attn: Trent Voigt
160 N Main Drive
Van Alstyne TX 75495

RE: Notification of Performance Improvement Plan

Dear Mr. Voigt,

As a follow-up to the numerous discussions regarding the activity MetaBank has seen over the last couple of months, Meta has determined to place Paynetworx on a six-month performance improvement plan.

This determination was based upon the following contractual breaches under the Merchant Financial Services Agreement ("Agreement") dated June 23, 2020 between MetaBank and Paynetworx:

- Failure to maintain at all times a balance of available funds in the Company Account (ending 13313) sufficient to cover Paynetworx's obligations under the ACH Processing Agreement in connection with its Other ACH Processing Services (Section VII(a) of Schedule 6.4)
- Origination of ACH transactions for merchants (cannabis) prohibited under Bank Policies (Section 5.11)
- Use of ACH Entry types (e.g., WEB) not authorized under Exhibit A of Schedule 4.6 (Section III(a) of Schedule 4.6)

As such, PayNetworx is not allowed to expand business to areas not covered under the current Agreement. Any business activity not expressly authorized under the Agreement (e.g. WEB entries) should cease immediately.

With respect to Paynetworx's Other ACH Processing Services running through the Company Account (ending 13313), Section III(w) of Schedule 6.4 of the Agreement states that "Company agrees not to use or attempt to submit Entries that would be an activity or business that would require Company to register as a "money service business" as defined in the Bank Secrecy Act and its implementing regulations or acquire a money transmitter license under the Applicable Law of any state." Within 30 days of this notification, Meta is requiring an external legal opinion specific to the Paynetworx ACH payment processing activities running through the Company Account. The legal opinion should describe the scope of Paynetworx's ACH processing activities running through the Company Account and conclude that none of this activity should require Paynetworx to be registered as a Money Service Business (MSB) or possess any state Money Transmitter Licensing (MTL) in states where Paynetworx is providing these services. If certain ACH processing activities would require Paynetworx to be registered as a Money Service Business (MSB) or possess any state Money Transmitter Licensing (MTL) in one or more states, MetaBank would expect Paynetworx to immediately cease this activity through the Company Account absent evidence of MSB



registration or MTL licensing.

Failure to cease activities not covered in the Agreement, failure to provide the requested legal opinion, or the occurrence of additional contractual infractions may result in suspension or termination of the Agreement. Once the 6-month period has elapsed, Meta will re-evaluate the partnership and the restrictions placed on Paynetworkx.

Sincerely,

Karla Cotton

Karla Cotton
Partner Account Executive, MetaBank